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To ensure access to high-quality,
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through direct services at DHS facilities
and through collaboration with
community and university partners.



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November 07, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO INPATIENT INTENSIVIST AND
HOSPITALIST SERVICES AGREEMENT
(SUPERVISORIAL DISTRICTS I, 2 and 4)
(3 VOTES)**

SUBJECT

Request approval of an Amendment to the Inpatient Intensivist and Hospitalist Services Agreement to extend the term for one year.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 9 to Agreement No. 75936 (Agreement), with Primary Critical Care Medical Group (PCCMG) for Inpatient Intensivist, and Hospitalist (IH) services, to extend the term of the Agreement for a period of one year, effective upon Board approval, for the period December 1, 2012 through November 30, 2013, at a maximum obligation of \$6,008,000 for the extension period.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

15 November 7, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will allow the Director to execute an Amendment, substantially similar to Exhibit I, for the continued provision of IIH Services at Rancho Los Amigos National Rehabilitation Center (RLANRC), Harbor-UCLA Medical Center (H-UCLA MC) and LAC+USC Medical Center (LAC+USC MC). DHS has determined that these services are critical in mitigating in part the overcrowded emergency departments (ED) through timely clinical evaluation and transfer of ED patients to an inpatient bed, and increasing inpatient capacity through timely discharge of such patients when medically appropriate. The extension will also provide additional time for DHS to re-evaluate its options for the provision of these services, including the possibility of recruiting County-employed physicians.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The County's maximum obligation for the extended term, December 1, 2012 through November 30, 2013, is \$6,008,000. Funding for the extended term is included in DHS' Fiscal Year 2012-13 Final Budget, and will be requested for FY 2013-14.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to delegated authority authorized by the Board on November 28, 2006, the Department of Health Services (DHS) issued a Request for Information to select and execute the Agreement with PCCMG as a result of the then impending closure of Martin Luther King-Charles R. Drew Medical Center (MLK) and subsequent departure of medical staff from Drew University. The Agreement ensured the continued provision of emergency room physicians, including hospitalist and intensivist physicians at MLK until its closure in August, 2007. The Board also made a finding pursuant to Los Angeles County Code section 2.121.420 that the IIH physician services can more feasibly be performed by independent contractors.

The Agreement was subsequently amended to provide IIH services for the DHS facilities impacted by the closure of MLK (RLANRC, H-UCLA MC, and LAC+USC MC) and extend the Agreement term, among others actions.

On November 10, 2010, the Board approved a two-year extension to the Agreement, during which DHS informed the Board that it would determine the long-term need for these services and if appropriate, solicit another vendor or provide an internal solution.

DHS has yet to finalize this analysis. Over the past two years, DHS has experienced a number of changes, including the expansion of Medicaid, the increased utilization of its services, particularly its emergency departments, as a result of the economic downturn, and the recent ratification of Health Care Reform. Accordingly, it has been unable to adequately assess the long term need for this service. This assessment will be done during the recommended, one year extension and, if a contracted solution is needed, that contract will be solicited in accordance with Proposition A as a physician service.

The Agreement allows either party to , with or without cause, with a 30-day advance written notice by County to PCCMG, and a 120-days advance written notice by PCCMG to County.

The Amendment adds the latest Board of Supervisors' required provisions not previously included in the base agreement or through amendments.

County Counsel has reviewed and approved Exhibit I as to use and form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will allow the provision of IHH Services to continue uninterrupted.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:ck

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

**INPATIENT INTENSIVIST AND HOSPITALIST
SERVICES AGREEMENT**

AMENDMENT NO. 9

THIS AMENDMENT is made and entered into this _____ day
of _____, 2012

by and between
COUNTY OF LOS ANGELES

(hereafter "County"),

and

PRIMARY CRITICAL CARE
MEDICAL GROUP
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "INPATIENT INTENSIVIST AND HOSPITALIST SERVICES AGREEMENT" dated November 30, 2006, and further identified as County Agreement No. 75936, and any amendments thereto (all hereafter "Agreement"); and

WHEREAS, pursuant to California Health and Safety Code, Sections 1441 and 1445, County has established and operates, through its Department of Health Services (hereinafter "Department" or "DHS"), various County hospitals, comprehensive health centers and health centers, including Harbor - University of California at Los Angeles (hereinafter "Harbor-UCLA), Los Angeles County + University of Southern California Medical Center (hereinafter "LAC+USC Medical Center") and Rancho Los Amigos National Rehabilitation Center (hereinafter "Rancho"); and

WHEREAS, the parties are desirous of amending the Agreement to extend the term of the Agreement for one (1) year, to allow Harbor-UCLA, LAC+USC Medical

Center and Rancho to continue utilizing the Contractor's services under the Agreement;
and,

WHEREAS, the Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall be effective upon execution of the Parties.
2. The term of this Agreement is hereby extended for one (1) year beginning December 1, 2012 through and including November 30, 2013.
3. The first subparagraph of Paragraph 1, TERM AND TERMINATION, shall be revised in part to read as follows:

“1. TERM AND TERMINATION: The term of this Agreement shall commence on December 1, 2006, and shall continue in full force and effect to and including November 30, 2013. The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option. This Agreement may be extended only by a formal amendment approved by the Board of Supervisors.”

4. Paragraph 3, AGREEMENT SUM, Subparagraphs B, C, and D, of Agreement shall be revised to add the maximum obligation for the extension period as follows:

"3. AGREEMENT SUM:

B. As to the provision of services at Rancho:

1) For that period August 14, 2007 through November 30, 2007, the Maximum Obligation for those services shall not exceed One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000).

2) For that period December 1, 2007 through November 30, 2010, the Maximum Obligation for services provided shall not exceed Thirteen Million Five Hundred Thousand Dollars (\$13,500,000).

3) For that period December 1, 2010 through November 30, 2012, the Maximum Obligation for services provided shall not exceed Seven Million Dollars (\$7,000,000).

4) Beginning December 1, 2012 through November 30, 2013, the Maximum Obligation for services provided shall not exceed Three Million Five Hundred Thousand Dollars (\$3,500,000).

C. As to the provision of services at Harbor-UCLA:

1) For that period May 6, 2008 through November 30, 2008, the Maximum Obligation for services provided shall not exceed Eight Hundred Nine Thousand Dollars (\$809,000).

2) For that period December 1, 2008 through November 30, 2010, the Maximum Obligation for services provided shall not exceed Two Million Eight Hundred Twenty Thousand Dollars (\$2,820,000).

3) For that period December 1, 2010 through November 30, 2012, the Maximum Obligation for services provided shall not exceed Five Million Sixteen Thousand' Dollars (\$5,016.000).

4) Beginning December 1, 2012 through November 30, 2013, the Maximum Obligation for services provided shall not exceed Two Million Five Hundred Thousand Eight Dollars (\$2,508,000).

D. As to the provision of services at LAC+USC Medical Center:

1) For that period November 18, 2008 through November 30, 2010, the Maximum Obligation for services provided shall be Four Hundred Nineteen Thousand Four Hundred Forty Dollars (\$419,440) and shall be incorporated in the Maximum Obligation for Rancho, in subparagraph 3.B.2 above, not to exceed a total combined for the two facilities of Thirteen Million Five Hundred Thousand Dollars (\$13,500,000).

2) For that period December 1, 2010 through November 30, 2012, the Maximum Obligation for services provided shall not exceed Nine Hundred Thousand Dollars (\$900,000) and shall be incorporated in the Maximum Obligation for Rancho, in subparagraph 3.B.3 above, not to exceed a total combined for the two facilities of Seven Million Dollars (\$7,000,000).

4) Beginning December 1, 2012 through November 30, 2013, the Maximum Obligation for services provided shall not exceed Four Hundred Fifty Thousand Dollars (\$450,000) and shall be incorporated in the Maximum Obligation for Rancho, in

subparagraph 3.B.4 above, not to exceed a total combined for the two facilities of Three Million Five Hundred Thousand Dollars (\$3,500,000).

5. Contractor shall be reimbursed during the extension term at the rates set forth under the Agreement for each participating DHS hospital during the prior contract period.

6. Except for changes set forth hereinabove, the wording of the Agreement shall not be changed in any respect by this Amendment,

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by its Chair and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____
Mitchell H. Katz, M.D.
Director of Health Services

CONTRACTOR

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM:

John Krattli
Acting County Counsel

By _____
(Name and Title of County Counsel)